



April 3, 2003

## **Reduction of deferred tax assets and others resulting from the introduction of the pro forma standard taxation system for enterprise tax**

The Law for Partial Amendment of the Local Taxes Law ("Local Taxes Amendment Law") was promulgated on March 31, 2003. With the resultant definitive introduction of the pro forma standard taxation system for enterprise tax, there will be a reduction of deferred tax assets and others in Nippon Telegraph and Telephone Corporation's accounts for the fiscal year ended March 31, 2003, as described below.

### **1. Outline**

The Local Taxes Amendment Law was promulgated on March 31, 2003, and with the resultant definitive introduction of the pro forma standard taxation system for enterprise tax, as of the accounts for the fiscal year ended March 31, 2003, deferred tax assets and others will be posted in accordance with the statutory effective tax rate based on the tax rate after the amendment. As a result, the amount of deferred tax assets and others stated in the accounts will be lower than if computed in accordance with the statutory effective tax rate based on the tax rate prior to the amendment, and the amount stated in the accounts for the fiscal year ended March 31, 2003, is to be reduced by the equivalent amount.

### **2. Resultant changes in amounts (Estimates)**

The following are the amounts (estimates) of the impact on net income in the accounts for the fiscal year ended March 31, 2003, resulting from the reduction in deferred tax assets outlined in the preceding section.

- Consolidated accounts: -56 billion yen
- Non-consolidated accounts: -2 billion yen

The computation of the above amounts is premised on factors such as the balance of deferred tax assets and others at the end of the first half in fiscal 2002 and the rate of enterprise tax (standard tax rate) after the amendment, and may differ from the actual figures stated in the accounts. The figures for the accounts for the fiscal year ended March 31, 2003, that incorporate the above amounts are currently under preparation, and will be released when that process is complete.

For more information, please contact:

Department IV accounting section  
Nippon Telegraph and Telephone Corporation  
Telephone: (03) 5205-5421  
E-mail: [kaikei@hco.ntt.co.jp](mailto:kaikei@hco.ntt.co.jp)

**NTT NEWS RELEASE** 

---

Copyright (c) 2003 Nippon telegraph and telephone corporation